

State of California

Public Utilities Commission
San Francisco

MEMORANDUM

Date: September 21, 2012

To: The Commission
(Agenda Distribution List)

From: Rahmon O. Momoh
Advisor to Commissioner Timothy Alan Simon

Subject: Discussion and Action on Proposed Appointment to the
Low Income Oversight Board

Public Utilities Code Section 382.1 establishes the Low Income Oversight Board (LIOB) to advise the Commission on low-income electric, gas, and water customer issues. The LIOB is comprised of eleven members. One of the members of the LIOB is a representative of a water corporation. The Commission must approve this member's position on the LIOB. Article 3.2 of the LIOB Charter provides that the LIOB members serve two-year terms commencing upon appointment by the Commission.

On September 23, 2012, the two-year term expires for the current LIOB member and water corporation representative, David Stephenson.

Mr. Stephenson has made valuable contributions to the LIOB's work during his two-year term. The LIOB has great confidence in his contributions and has asked Mr. Stephenson to co-lead a subcommittee tasked with issues surrounding automatic enrollment in low income programs. Additionally, the Commission is in the midst of implementing the California Energy Efficiency Strategic Plan and the current members of the LIOB, including Mr. Stephenson, have been instrumental in developing the low income portion of this plan.

On August 7, 2012, Commissioner Simon sent a letter to the California Water Association (CWA) informing them of his intent to re-nominate Mr. Stephenson to the LIOB. On August 29, 2012, Commissioner Simon received a letter from CWA confirming Mr. Stephenson as the CWA candidate for the LIOB water representative.

Mr. Stephenson is highly qualified for the appointment to LIOB and will continue to be a valuable contributor to the LIOB. He has worked in the water industry since November 1978 and, currently, serves as the Director of Rate Regulation at California American Water Company. In this capacity, Mr. Stephenson collaborates with customers and organizations to promote equitable rate tariffs that, in turn, promote conservation. Attached for your information is a copy of Mr. Stephenson's resume.

As the assigned Commissioner to the LIOB, Commissioner Simon, hereby nominates and requests Commission approval for Mr. Stephenson to be appointed to a second two-year term.

MOM:acr
Attachment

David P Stephenson

Objective

To apply thirty-four years of regulatory business experience toward a career where my contributions will be rewarded through new experiences and continued professional growth.

Professional Highlights

Managerial Expertise

- Managing all aspects of the California Regulatory department, including managing from two to eight other professionals responsible for all developing, processing, negotiating, litigating and implementing all aspects of regulatory filings and decisions.
- Managing consultants retained to assist in regulatory work under the departments direction.
- Managing various aspects of the business plan process to coordinate regulatory and Corporate expectations.

Acquisitions

- Led efforts to successfully achieve regulatory approval of the acquisition of the Citizens' water properties in Arizona and California, as well as many small tuck-ins in Arizona and California.
- Led efforts to successfully achieve regulatory approval and certificates of convenience and necessity to provide service for acquisition of properties in New Mexico and Hawaii.
- Assisted in efforts to achieve regulatory approval of the acquisition and divesture of Corporate ownership by RWE.

Premium Recognitions

- Achieved full recovery of the Citizens Acquisition Premium in California through extensive analysis, testimony and cross-examination wherein I demonstrated that the synergies achieved far out-weighed the cost of recovery of the premium.
- Achieved approval of full recognition of purchased assets in Arizona acquired in the Citizens acquisition that were previously funded by advances and contributions, through a short-term elimination of imputed acquisition rate base offset.
- Achieved recognition of full purchased price for many small systems in California and Arizona.

Other Achievements

- Led the efforts to implement and receive Commission approval of a Water Revenue Adjustment mechanism in California, as well as efforts to implement a conservation rate design based on customer parameters.
- Developed acquisition profile and forecast models to be used assisting the Corporation in determining valuations.
- Developed many internal and external training programs and materials
- Successfully testified on many occasions on all aspects of rate regulation including rate design, expense recovery, income taxes, rate base determination, conservation and rate of return.
- Six years as a member of the California Public Utilities Commission Low Income Oversight Board.
- Assisted in receiving commission approval of the public/private partnership to develop and implement a regional desalination facility in Monterey.

Skills

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| ▪ Microsoft Office Excel | ▪ Microsoft Office Project |
| ▪ Microsoft Office Word | ▪ Some Minitab Experience |
| ▪ Microsoft Office PowerPoint | ▪ Six Sigma Green Belt in Progress |
| ▪ Orcom | ▪ Some Flowcharter experience |

David P Stephenson

Employment History

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| Director of Rate Regulation | California American Water and American Water Works Service Company | 8/86 to date |
| Assistant Director Rate Regulation | American Water Works Service Company | 4/84 to 8/86 |
| Assistant Director of Accounting | California American Water | 10/83 to 4/84 |
| Various Accounting Positions | California American Water | 11/78 to 10/83 |

Education

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| Bachelor of Science | San Diego State University | Spring 1977 |
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References

References are available on request.